

AGENDA
FINANCIAL SERVICES COMMISSION
Office of Insurance Regulation

January 31, 2006

MEMBERS

Governor Jeb Bush
Attorney General Charlie Crist
Chief Financial Officer Tom Gallagher
Commissioner Charles Bronson

Contact: Chris Bailey
(850-413-2552)

9:00 A. M.
LL-03, The Capitol
Tallahassee, Florida

| ITEM | SUBJECT | RECOMMENDATION |
|-------------|----------------|-----------------------|
|-------------|----------------|-----------------------|

1. Minutes of the Financial Services Commission, November 22, 2005.

(ATTACHMENT 1)

FOR ACTION

2. Reconsideration of the approval for adoption of Rule Chapter 69O-170, Part 1, Property and Casualty Insurance Rating; Rate Filing Procedures, F.A.C., as amended at the January 11, 2006 Financial Services Commission meeting, and Rule 69O-175.003, Motor Vehicle Insurance Ratemaking and Rate Filing Procedures, F.A.C.

These rules provide that the basis for agency action regarding rates is an insurer's rate filing. A rate filing is defined in these rules as those matters the insurer wants considered in support of their rate requests, along with any additional information required by the Office that is submitted prior to the issuance of a Notice of Intent to Deny.

These rules also improve the quality of rate filings by providing specific detail of the components of a filing so as to minimize the Office's processing of incomplete filings; delete outdated language and mandate electronic filing; and update and adopt rate filing forms.

This matter was approved at the January 11, 2006, Financial Services Commission meeting. This matter is being reconsidered to provide an opportunity for public comment on the proposed rules.

(ATTACHMENT 2)

FOR ACTION

3. Approval for adoption of new Rule 69O-125.005, Use of Credit Reports and Credit Scores by Insurers, F.A.C.

This new rule establishes standards and requirements for the use of credit reports or scores by insurers. The rule implements the provisions of s. 626.9741, F.S., which prohibits the use of credit reports and scores, which are unfairly discriminatory. The rule details the information that an insurer must submit to the Office and requires insurers to demonstrate that the use of credit reports and scores do not unfairly discriminate against insured's

because of their race, color, religion, marital status, age, gender, income, national origin or, place of residence. The rule further delineates the requirements that insurers must follow in the use and application of credit reports and scores. The Joint Administrative Procedures Committee has requested a minor revision to the rule by deleting a reference in (9)(g)2. to “other reputable entities in the field”.

(ATTACHMENT 3)

FOR ACTION

4. Approval to publish new Rule 69O-170.020, Reasonable Degree of Competition Criteria – Monroe County, F.A.C.

This new rule sets forth criteria to be used by the Office in making a determination of whether there is a reasonable degree of competition in Monroe County. This proposed new rule requires consideration of respective market shares of all insurers and Citizens Property Insurance Corporation and the application of the Herfindahl Index, which is an indicator of whether a market is non-competitive. The rule also requires the Office to consider all other information related to and associated with evaluating market competition.

(ATTACHMENT 4)

FOR ACTION